GOVERNMENT OF INDIA
MINES
LOK SABHA

STARRED QUESTION NO:123
ANSWERED ON:09.03.2017
Reforms in Mining Sector
Manjhi Shri Hari

Will the Minister of MINES be pleased to state:

(a) the status of reforms unleashed in the mining sector;

(b) whether the Government proposes to initiate certain regulatory reforms in the mining sector by making amendments in the relevant Acts/Rules, if so, the details thereof; and

(c) the time by which these are likely to be implemented?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER, COAL, NEW & RENEWABLE ENERGY AND MINES (SHRI PIYUSH GOYAL)

(a) to (c): A statement is laid on the table of the House.
THE STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. 123 REGARDING REFORMS IN MINING SECTOR RAISED BY SHRI HARI MANJHI, MEMBER OF PARLIAMENT FOR REPLY ON 09th MARCH, 2017.

(a) to (c): Reforms in the mining sector were brought about by amending the Mines and Minerals (Development and Regulation) (MMDR) Act, 1957 through the MMDR Amendment Ordinance, 2015 which was promulgated on 12th January, 2015. The Ordinance was replaced by the MMDR Amendment Act, 2015, notified on 27th March, 2015 which is deemed to have come into effect from 12th January, 2015. The Act was further amended in 2016 to allow transfer of mining leases granted otherwise than through auction for captive purpose.
The most important provision of the MMDR Amendment Act, 2015 is the grant of mineral concessions, for major minerals, through auction by competitive bidding which is a transparent and non-discriminatory method and which will also obtain for the State Government its fair share of value of the mineral resources. The other important provisions of the MMDR Amendment Act, 2015 are as follows:
i. Assured tenure and easy transferability of concessions granted through auctions, in order to attract private investment and Foreign Direct Investment;
ii. Constitution of District Mineral Foundation (DMF) to take care of people and areas affected by mining related activities;
iii. Stricter punitive provisions to deter illegal mining, wherein penalties have been increased from Rs. 25 thousand per hectare to Rs. 5 Lakh per hectare and the term of imprisonment has been increased from 2 years to 5 years;
iv. Creation of National Mineral Exploration Trust (NMET) for regional and detailed exploration;
v. Transition provisions for extension of existing leases to obviate disruptions in supply of ore and to ensure regular supply of raw material to the industry;
The following rules have been framed under the MMDR Amendment Act, 2015:
i. Minerals (Evidence of Mineral Contents) Rules, 2015
ii. Mineral (Auction) Rules, 2015
iii. Mines and Minerals (Contribution to District Mineral Foundation) Rules, 2015
iv. Mineral (Mining by Government Company) Rules, 2015

v. Mineral (Non-exclusive Reconnaissance Permits) Rules, 2015

vi. National Mineral Exploration Trust Rules, 2015
vii. Minerals (Transfer of Mining Lease Granted Otherwise than through Auction for Captive Purpose) Rules, 2016
viii. Atomic Minerals Concession Rules, 2016

ix. Mineral (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules 2016

x. Mineral Conservation and Development Rules, 2017

Some State Governments have already conducted auction for grant of mineral concessions for major minerals and so far 21 mineral blocks have been auctioned successfully. Advisory to State Governments have also been issued to incorporate a transparent and non-discriminatory regime for grant of mineral concessions for minor minerals. As regards DMF, out of the 12 mineral rich states of the country, 11 states [i.e. Goa, Karnataka, Chhattisgarh, Odisha, Jharkhand, Madhya Pradesh, Rajasthan, Telangana, Andhra Pradesh, Gujarat and Maharashtra] have framed rules for DMF and have set-up DMFs in 287 districts. The NMET has been set up and total fund of around Rs. 622 crore has been collected under NMET. So far, 60 mineral exploration projects have been approved

for implementation through NMET.

National Mineral Exploration Policy, 2016 has been notified in July, 2016. The policy, inter-alia, provide for:
(i) Sharing of baseline geo-scientific data free of cost in public domain as a public good.

(ii) Aero-geophysical survey of the country in a mission mode, initially in the obvious geological potential [OGP] area of about 8.0 lac sq. kms and subsequently in the rest of the areas. A pilot project over OGP area of about 2.06 lakh sq. km. has been initiated.
A 'Star Rating' system has been instituted by the Ministry of Mines through Indian Bureau of Mines (IBM) (a subordinate office under Ministry of Mines) vide notification no. 31/4/2016-M.III dated 23rd May, 2016; in which star rating is awarded to the mines for their efforts and initiatives taken for implementation of the Sustainable Development Framework (SDF). Rating of one to five stars is given to the mines by IBM. The best performing leases is given 5 Stars. A web-portal has been developed for online filing of the evaluation template for Star Rating of Mines. The Star Rating data is to be filed by all the major mines. The amended MCDR, 2017 mandates that all working mines of major minerals would be required to have at least 4 star ratings within 2 years of the notification of these rules or the start of mining operations as the case may be.
The Ministry of Mines, through Indian Bureau of Mines (IBM), has developed the Mining Surveillance System (MSS), in collaboration with Ministry of Electronics and Information Technology (MEITY) and Bhaskaracharya Institute for Space Applications and Geo-informatics (BISAG), Gandhinagar, to use space technology for facilitating State Governments in curbing illegal mining activities in the country. MSS uses the Satellite Remote Sensing Technology together with Information Technology. MSS is a transparent & bias-free system, having a quick response time and capability of effective follow-up. A user-friendly mobile app has been developed for MSS which is used by inspecting officials of the State Governments to submit their geo-tagged inspection reports. Using this mobile app the citizens can also report unusual mining activity which is likely to be illegal mining, thus making it a participative & citizen centric monitoring system. The Mining Surveillance System has been launched on 15.10.2016. Total 269 triggers across the country were generate under MSS and sent to the respective State Governments for follow-up. Till now, field verification of 190 triggers have been completed by the State Government officials in which unauthorized mining has been reported in 29 cases (15%).
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